

Terminology Online Test

| Sr | Questions | Answers Choice |
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| 1 | Full employment is a situation when? | A. Cyclical unemployment is zero B. Frictional unemployment is zero C. Seasonal unemployment is zero D. Disguised unemployment is zero |
| 2 | Which of the following is not an item of transfer payment? | A. Pension B. Scholarship C. Dividend D. Subsidy |
| 3 | The term 'Animal Spirit' was used by Keynes for? | A. Consumption B. Investment C. Income D. Interest |
| 4 | The Keynesian theory of employment provides the solution of? | A. Frictional unemployment B. Disguised unemployment C. Cyclical unemployment D. Seasonal unemployment |
| 5 | An industry comprised of a very large number of sellers producing a standardized product is known as: | A. Monopolistic competition B. Oligopoly C. Pure monopoly D. Pure Competition |
| 6 | In which of the following industry structures is the entry of new firms the most difficult? | A. Pure monopoly B. Oligopoly C. Monopolistic competition D. Pure competition |
| 7 | When the money market is in equilibrium: | A. The quantity of money demanded equals the quantity of money supplied B. The interest rate is neither increasing nor decreasing C. bond prices are stable D. All of the above hold true |
| 8 | The reduce the Federal funds rate the fed can: | A. Buy government bonds form the public B. Increase the discount rate C. Sell government bonds to commercial banks D. Increase the prime interest rate |
| 9 | The basic different between the "short run"and the "long run" is that: | A. All cost are fixed in the short run, but all costs are variable i8n the long run B. The law of diminishing returns applies in the long run, but not in the short run. C. At least one resource is fixed in the short run while all resources are variable in the long run D. Economies of scale may be present in the short run, but not in the long run. |
| 10 | The asset demand for money: | A. Is unrelated to both the interest rate and the level of GDP B. Varies inversely with the rate of interest C. Varies inversely with the level of real GDP D. Varies directly with the level of nominal GDP |